

MINUTES
OF THE FINANCE COMMITTEE
OF THE BOARD OF REGENTS
WESTERN KENTUCKY UNIVERSITY

September 5, 1996

AGENDA ITEM 1 - Call to Order

Required statutory notice having been given, the Finance Committee of the Board of Regents of Western Kentucky University was called to order in the Regents Conference Room of the Wetherby Administration Building on the Western campus by at 9:45 a.m., CDT. Mr. Ray Preston presided in the absence

AGENDA ITEM 2 - Roll Call

Mr. Gray, Ms. Loafman, Mr. Martin, and Mr. Preston were in attendance.
Mr. Mercer was absent.

**AGENDA ITEM 3 -Recommendation for approval of the
following
capital projects:**

RECOMMENDATION:

Replacement and upgrade of existing transformers containing PCB at Diddle Arena and Thompson Complex North Wing and the retrofilling of fifteen (15) pad and pole mounted transformers containing PCB at various locations throughout campus.

Total Estimated Cost:
\$169,536

BACKGROUND:

On March 1, 1996, Western Kentucky University was notified by the Environmental Protection Agency (EPA), that it was being cited for violations of Section 15 of TSCA, 15 U.S.C. 2614 and regulations promulgated as 40 CFR Part 761. These violations concerned transformers containing PCBs located in TCNW and Diddle Arena.

The University had planned the removal of these transformers. Removal of the PCB transformer in Diddle was planned as part of the WKU Life Safety project in the 1996-2000 Capital Plan. This project was in the 1996-98 biennium as WKU's 12th priority. Also, other small PCB transformer projects were planned in the Campus Renovation Pool (Series I) project.

The EPA has given the University the opportunity to submit a Supplemental Environmental Project plan which moves forward the replacement of these transformers. The plan proposed by WKU includes the replacement of

the two (2) transformers containing PCBs, upgrading them to a larger size to accommodate anticipated electrical demands; renovating the mechanical room at Diddle Arena to accommodate the larger transformer; and retrofilling fifteen (15) additional pad and pole mounted transformers to eliminate the PCB contaminated oils.

By pursuing this course of action, the University will avoid potential large EPA fines and eliminate a potentially serious health hazard from the campus. Upon completion of this project, the University will no longer be responsible for quarterly inspection and testing of these transformers and will not be subject to future inspection and potential fines by the EPA.

Following a review of this item by President Meredith, motion for approval was made by Mr. Martin, seconded by Mr. Gray and passed unanimously.

AGENDA ITEM 4 - Recommendation for approval of an amendment to the existing housing policy to require sophomores to live in the residence halls. This recommendation does not affect current students, but would impact the entering freshmen class in 1997.

BACKGROUND:

In 1974, the Board of Regents directed the President to develop and initiate a program that would require living on campus for both freshmen and sophomores to live on campus for a maximum of four semesters. In 1984, this policy was amended to require that only freshmen be required to live on campus. Therefore, the existing housing policy reads:

Full-time freshmen are required to live on campus in residence halls their first two semesters. Those freshmen who qualify for any of the following categories will be exempt from this housing requirement.

- *21 years or older*
- *Military veteran (181 days or more)*
- *Married*
- *Commuter*
- *Fraternity/Sorority member living in chapter house*
- *Special circumstances*

It is now recommended that the policy be amended to read:

Provided residence hall space is available, all Freshmen and Sophomores are required to live on campus. Reasonable provisions will be made for students with special circumstances such as:

- *21 years or older*
- *Military veteran (181 days or more)*
- *Married*
- *Commuter from parent's or guardian's permanent residence (50 mile limit)*
- *Special circumstances*
- *Fraternity/Sorority member living in chapter house (Sophomore Only)*
- *Dependent children*

In order to respond to the year-to-year changes in occupancy, the Housing Office is authorized to make reasonable adjustments in the exemption categories.

REASON FOR RECOMMENDATION TO CHANGE POLICY:

Occupancy in residence halls and enrollment of full-time traditional students have continued to decline over the past six years. Numerous efforts have been made to encourage nonfreshman students to live on campus. These efforts have increased the quality of life for students on campus, but they have not increased housing retention. These efforts included:

- A rate freeze for all returning residents
- Creation of Honor’s Housing
- Creation of Community Living halls where residents have the opportunity to create their own noise and visitation policies.
- Creation of private room areas
- Creation of discounted private room rates in Pearce Ford Tower
- Pearce Ford Tower renovations, both physical and programmatic
- \$3 million Federal loan renovation which included:
 - Cable television in all bedrooms
 - Data outlets in all bedrooms
 - Laundry facilities in each hall
 - Additional electrical outlets in our non air-conditioned halls
- Creation of additional co-ed halls
- MASTER Plan
- Leadership Community

The implementation of this policy change should continue to enhance the quality of the residence life program and student life on campus. In addition, the policy should permit only modest housing rate increases in the future and should allow annual revenue growth to help meet financial demands of the housing programs, particularly the deferred maintenance needs of the housing program.

WHAT IS HAPPENING AT OTHER SCHOOLS?

<u>UNIVERSITY</u>	<u>POLICY</u>
Eastern Kentucky University	Full-time, under 21 years old
Morehead State University	Full-time, under 60 hours
Murray State University	Full-time, under 60 hours
Tennessee Technological University	Four semesters
University of Kentucky	Freshmen, when space is available
University of Louisville	No policy
Middle Tennessee State University	No policy

Motion for approval was made by Mr. Gray and seconded by Mr. Martin.

Dr. Jerry Wilder, Vice President for Student Affairs, and staff members in Student Affairs discussed the beneficial aspects of the recommendation for students. Dr. James Ramsey, Vice President for Finance and Administration used overheads to present the

financial implications of the change. (**Note:** A copy of the overheads are attached to the minutes as **Exhibit I**).

Following a thorough discussion of the recommendation, Mr. Gray's motion for approval passed unanimously.

AGENDA ITEM 5 - Recommendation for approval of the establishment of a receivable to pay for expenses related to the E. A. Diddle sound system

RECOMMENDATION:

President Thomas C. Meredith recommends that the Board of Regents approve the establishment of a receivable by the University to pay for expenses related to the E. A. Diddle Arena sound system until such time as private funds can be raised to reimburse the University. The sound system has been installed in Diddle Arena, and the total cost of the project is \$251,000.

Background:

The sound system in the E. A. Diddle Arena was the system installed when Diddle Arena opened 33 years ago, and the quality of sound provided at graduation and other events held in Diddle Arena was substandard. The sound system was installed during the winter months on the expectation that private funds would reimburse the university for the total cost of the system once it was fully installed. The final invoices for the sound system have been received. The University is requesting Board approval to pay the invoices and to liquidate the receivable with private funds.

President Meredith reported that private money is not yet in, but the bills are and permission is sought to use the accounts receivable from the institutional reserve to pay the bills. Private funds continue to be pursued to pay that back.

Motion for approval of the recommendation was made by Mr. Gray and seconded by Ms. Loafman and carried.

With nothing further to come before the committee, the meeting adjourned.